

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY,
INDIANA, HELD A BUDGET HEARING IN THE THIRD FLOOR ASSEMBLY
ROOM OF THE CITY/COUNTY BUILDING ON SATURDAY, JULY 14, 2007 AT
9:00 A.M.**

Present: Dan Coffey, Bill Schmidt, Steve Price, Jeff Gahan, Jack Messer, Kevin Zurschmiede, Larry Kochert. Not present Beverly Crump and Donnie Blevins.

Others: Controller Kay Garry, Deputy Controller Sandy Boofter and Marcey Wisman City Clerk.

Mr. Kochert called the meeting to order at 9:02 a.m. He stated that today is for Mrs. Garry to go over the information that she sent out in the packets and asked that everyone ask questions but to refrain from long speeches.

Mr. Schmidt asked about the decrease in the council's salary from 2007 to 2008

Mrs. Garry said that was because they didn't give themselves a raise and there was a miscalculation because they don't pay for social security.

Mr. Price asked why the Fire Department has increased so much.

Mrs. Garry stated because they have to hire so many new employees and explained how many were scheduled to leave over the next year.

Mr. Kochert asked how many of the ones that are leaving would the City continue to pay.

Mrs. Garry stated that three are on pension payroll and the others will go off the payroll at different intervals.

Mr. Coffey stated that he would like to revisit what the council passed in regards to the new people coming in.

Mrs. Garry stated that becomes a personal issue in regards to what people make and she feels a department head that has all the responsibility is worth more than a \$500 raise. She explained that there are some hard working individuals out there that deserve to be compensated for their work.

Mr. Coffey said that at some point the budget is just going to have to become personal and there is no way around it. He believes that there are some hardworking individuals that do deserve raises but there are also some positions that need to be eliminated. He stated that they just can't keep giving the individuals at the top of the pay scale the same percentage raise as those at the bottom.

Mrs. Garry suggested that they look at a tier system for the Non-bargaining employees so that new individuals do not come in making as much or more than someone who has been working for several years.

Mr. Zurschmiede stated that they need to talk about everyone's salaries at some point but they need to focus on the ones that are taking up the vast majority of the budget and that is the Police and Fire Department. He explained cutting the other salaries are only going to make a small dent in the budget.

Mr. Kochert stated that it is 82% of the budget and if they go to a two tier system things could change

Mr. Zurschmiede stated that in other cities these departments take up about 60-65% of the total budget.

Mr. Price said he would just be happy to get it down to 70%

Mr. Kochert said that they can't continue on at this rate or it will bankrupt the City.

Mr. Messer stated that instead of going to a two tier system maybe they need to look at how it is structured and how many ranking officers they have and how they are elevated in rank.

Mr. Price said that they also need to look at the health care alone and what it is costing.

Mr. Zurschmiede stated that they need to take a long look at the number of Police and Fire employees and think about cutting some of those.

Mr. Messer said that they have to keep in mind the federal guidelines and the population requirements and he explained that they have to bargain on the contract as far as the salaries and benefits go. He stated that they have ways to generate income from fines with things like towing lots that they aren't utilizing and a lot of the issues are with the administration.

Mr. Price said that you see each department deteriorating every year and they have to address it. He brought up a situation with parking tickets that aren't going to get paid and stated that he found out that they have an honor system and people just aren't paying them and laugh when they get them.

Ms. Wisman stated that she takes offense at his incorrect information and that the people that are laughing at the tickets won't have the same attitude when the new parking system is put into place.

Mr. Messer asked Mr. Price how he expects these to be enforced when they don't have a City Attorney that has the power to have a City Court or a City Judge. He stated that these are City ordinances that they don't have authority to back up.

Mr. Price asked what they do about it then.

Ms. Wisman stated that they have a new system that is going to be implemented soon and that a lot of the employees in the building that have been bragging about having so many tickets have already come to her office to settle their accounts. She explained that the Clerk's office was told by the state that they could not get personal information and all she has is a license plate number so they never know who is getting the tickets but the new system is set up through the DMV where they will get three warnings to pay the ticket and if it isn't handled they will not be able to renew their license plates.

Mr. Coffey asked about the parking tickets going up to \$100 after 30 days.

Ms. Wisman stated that was the ordinance and there was nothing that her office could do about it.

Mr. Coffey stated that they need to do something about that ordinance and he thinks all parking tickets should be forgiven because they are unfairly handed out. He asked how the fines are collected.

Ms. Wisman stated that her office collects the fines, and she has asked the police to hand out tickets to everyone if they are going to hand them out to anyone because it is her office that gets the calls and she has no control over who hands out what. She stated that she thinks that many of the fines need to be addressed.

Mrs. Gary stated that she will correct the social security error on page 8 & page 3 and asked if there were any other errors that they saw.

Mr. Zurschmiede asked Mrs. Garry how many people were included in the budgeted salaries for the Controller's office.

Mrs. Garry said there are three of them.

Mr. Price said that the Fire Department is getting ready to go to arbitration and he thinks it would be a good time to get the entire Council together to discuss their budget.

Mr. Zurschmiede said he would personally like to see some review of the amount of employees they have had over the years and how many fires they have had over the years and he would like an explanation about the new fire house being built when their was an old one in close proximity. He stated that he is tired of hearing "that is the way we have always done it" because it is time for a change. He explained that the City population is declining and they don't seem to have any problems with fire response but they do have problems with getting trash picked up and weeds cut, so it is obvious to him where the need is in the City.

Mrs. Garry stated that she agrees with Mr. Zurschmiede but he has to understand that the monies for these two departments come from completely different funds so cutting one does not ensure that the other will flourish. She explained that the money for the Street Department comes from the State and the money for the Fire Department comes from the general fund.

Mr. Zurschmiede stated that he is not wanting to step on any toes nor is he singling out anyone from the Fire or Police departments, he is just looking at the numbers that are going out to them and these are the areas that they have to start the cutting in., and maybe they can convince them that they can't cut these budgets and they need this number of employees but because it takes the largest part of the budget they have to start there.

Mr. Messer stated that they just need to cut what they can right now and get the budget down to \$16M.

There was a lengthy discussion about the Fire Departments overtime and the way their shifts are set up.

Mr. Messer stated that they just need to set a budget for the different departments and they have to accept it.

Mr. Kochert said they need to go to the 2007 budgets and make adjustments from there and Ms. Garry can help them understand better where those adjustments need to be made.

Mr. Messer stated that they can't focus on what happened in the past they have to work with what they have and move forward.

Mrs. Garry stated that budgets are a guessing game and they need to guess the best they can and send it to the state for evaluation.

Mr. Coffey asked if anyone knew what Pearline Isom did.

Mrs. Garry stated that she is her employee, but she is paid out of the medical drug fund and while she doesn't adjudicate claims she is the answering post for 220 City Employees that have insurance and does all HR work.

Mr. Kochert said that the Mayor stated that the HR person should only make \$30,000 a year and asked Mrs. Garry what Mrs. Isom made.

Mrs. Garry said around \$37,000.

Mr. Coffey stated that they didn't need the HR person or the Assistant Mayor's position and just because it was done in the past doesn't mean they need to have these positions any longer. He stated that they need to cut these positions.

Mr. Zurschmiede asked if they submit the budget to the state and then they do the work they need to and submit it back to the City with the bottom line.

Mrs. Garry stated that this was correct.

Mr. Zurschmiede stated then that is what they need to do now, get the numbers down and try to cut other things later.

Mr. Messer stated that he agrees they need to start with the idea that they need to increase 2008 budget by a certain percent and send it to the state and then work from there.

Mrs. Garry said that they have negotiations going on with three departments and they need to decide how much of that \$420,000 do they want to go to these departments because that will leave the other employees on the third floor with nothing.

Mr. Price stated that he thinks they need to have some accountability for things like the 62 cell-phones and who has them and what they are used for as well as issues with take-home cars.

Mr. Messer stated that they need to stick to the money issues. They need to cut the budget and it is possible that the new administration will take care of the problems in the departments.

Mr. Schmidt stated that of the police are drawing a City salary they need to live in the City and pay taxes.

Mr. Messer said he agrees 100%

Mr. Price stated that you can't force them to live in the City

Mrs. Garry stated that if they live in the county they are paying taxes.

Mr. Messer stated that the need to look at the big picture and bringing those cars inside the City isn't going to make a huge difference.

Mr. Kochert stated that they have to start somewhere.

Mr. Price asked about the Fire Department's over-time pay for Ron Toran.

Mrs. Garry said that Chief Toran and Chief Mason never received overtime pay, it was holiday pay and that was because it was in their union contract.

Mr. Price stated that he isn't saying it is wrong or right but he is just suggesting places that they can cut the budget.

Mrs. Garry stated that they had to come up with a solution because the State Board of Accounts was going back 30 years on all the employees.

Mr. Coffey said then make them pay it back and the City won't be so far in debt.

Mrs. Garry asked why they should punish the current staff for something that has been going on for so long.

Mr. Price stated that they are feeling a lot of pressure from the public and that the last election showed that people are mad and are going to speak out about the misuse of City money and as part of the Council they have to do something about it.

Mr. Kochert said that this is something they need to do now. He stated that if they wait for the new administration to get their feet wet it will be almost time for a new election and the cycle will just continue.

Mr. Coffey asked Mrs. Garry about employees who have take-home cars.

Mrs. Garry gave a list of the six city take-home cars.

Mr. Coffey asked why he sees others driving them then.

Mrs. Garry stated that Mr. Coffey always gives examples of this person doing this or that but he needs to give her a name so that she can check into it.

Mr. Coffey asked a question regarding the cars for EMC.

Mrs. Garry did not know what EMC employees had take-home cars and stated that he would have to contact them to find out who was driving the vehicles because they are not her employees and she can't give him information that she does not have access to.

Mr. Messer stated that they would love to have control over all that stuff but that they can't expect Mrs. Garry to keep tabs on everyone and have information that is not available to her.

Mr. Coffey stated that he saw a person driving a municipal vehicle that he had never seen before.

Mrs. Garry stated that just because it has a municipal tag does not mean it is a City vehicle. She explained it could be the county, welfare, corrections or any number of departments.

Mr. Kochert stated that he would look into this issue before the next meeting.

Mr. Coffey said he wants a list of all employees that have City vehicles.

Mrs. Garry gave Mr. Coffey the names of everyone that she was aware of.

Mr. Kochert stated again to give him some time and he would have this information at the next meeting. He then asked if anyone had found any more discrepancies that needed to be addressed.

Mr. Zurschmiede asked about the contractual services for the Controllers office.

Mrs. Garry stated that it is for a gentleman that comes in and helps them do the W-2 and everything else for payroll for the next year.

Mr. Zurschmiede asked about office supplies, printing, and discretionary funds under the Council.

Ms. Wisman stated that she doesn't use it a lot but she has gotten letter head and some paper out of that budget and that legal fees have come from the discretionary funds.

Mr. Messer said it was budgeted for legal fees and a sound system if they needed it.

Mr. Zurschmiede asked about contract services on Board of Works

Mrs. Garry stated that it was put in there in 06 and one of the people that are paid under this is Mr. Hunter and she thought it could possibly be cut down.

Mr. Zurschmiede asked about the Animal Shelter, but he understands that some of these will have to be addressed by the department heads themselves.

Mrs. Garry stated that Mr. Hall would be happy to answer any questions that they might have and asked how they wanted to divide it up for the different departments to be there to answer questions.

The council decided to have the next budget hearings on the 25th & 26th at 4:00 p.m.

ADJOURN:

There being no further business to be heard, the public hearing adjourned at 11:14 a.m.

Larry Kochert, President
Common Council, City of New Albany

ATTEST: _____
Marcey J. Wisman, City Clerk